

TOWNSHIP OF OGDEN
Lenawee County, Michigan

GENERAL PURPOSE FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

Year Ended March 31, 2004

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name OGDEN TOWNSHIP	County LENAWEE
Audit Date 3-31-04	Opinion Date 8-26-04	Date Accountant Report Submitted to State: 9-10-04	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) YEUTTER + ASSOCIATES, P.C.			
Street Address 225 W. ADRIAN ST.		City BLISSFIELD	State MI
Accountant Signature Jeffrey A. Yetter, CPA		ZIP 49228	Date 9/9/04

TOWNSHIP OF OGDEN
Lenawee County, Michigan

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INDEPENDENT AUDITOR'S REPORT

To the Township Board
Township of Ogden
Lenawee County, Michigan

We have audited the accompanying general purpose financial statements of the Township of Ogden, Lenawee County, Michigan, as of March 31, 2004, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Township of Ogden's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Township of Ogden, Lenawee County, Michigan, as of March 31, 2004, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplementary information listed in the table of contents is presented for purpose of additional analysis and is not a required part of the general purpose financial statements of the Township of Ogden, Lenawee County, Michigan. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general financial statements taken as a whole.

Yeutter & Associates, P.C.

Yeutter & Associates, P.C.

August 26, 2004

TOWNSHIP OF OGDEN
Lenawee County, Michigan

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
March 31, 2004

	<u>Governmental Fund Types</u>		<u>Account Group</u>	<u>Total</u>
	<u>General</u>	<u>Special Revenue</u>	<u>General Fixed Assets</u>	<u>(Memorandum Only)</u>
<u>Assets</u>				
Cash in bank	\$ 215,092	\$ 130,964		\$ 346,056
Taxes receivable	1,322	3,276		4,598
Land			9,344	9,344
Buildings			79,302	79,302
Equipment			21,754	21,754
Total Assets	\$ <u>216,414</u>	\$ <u>134,240</u>	\$ <u>110,400</u>	\$ <u>461,054</u>
<u>Liabilities and Fund Equity</u>				
Liabilities:				
Total liabilities	\$ _____	\$ _____	\$ _____	\$ _____
Fund equity:				
Investment in general fixed assets			110,400	110,400
Fund balances:				
Unreserved:				
Undesignated	<u>216,414</u>	<u>134,240</u>		<u>350,654</u>
Total fund equity	<u>216,414</u>	<u>134,240</u>	<u>110,400</u>	<u>461,054</u>
Total Liabilities and Fund Equity	\$ <u>216,414</u>	\$ <u>134,240</u>	\$ <u>110,400</u>	\$ <u>461,054</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF OGDEN
Lenawee County, Michigan

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES

Year Ended March 31, 2004

	<u>Governmental Fund Types</u>		<u>Total</u>
	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only)</u>
Revenues:			
Property taxes	\$ 37,682	\$ 115,792	\$ 153,474
State revenue sharing	78,318		78,318
Charges for services:			
Property tax administration	8,872		8,872
Cemetery	1,900		1,900
Interest	2,395	308	2,703
Miscellaneous	289	1,048	1,337
Total revenues	<u>129,456</u>	<u>117,148</u>	<u>246,604</u>
Transfers from other funds		<u>50,000</u>	<u>50,000</u>
Total revenues and transfers	\$ <u>129,456</u>	\$ <u>167,148</u>	\$ <u>296,604</u>
Expenditures:			
Legislative:			
Township Board	\$ 16,309	\$	\$ 16,309
General government:			
Supervisor	7,559		7,559
Assessor	6,143		6,143
Clerk	8,601		8,601
Board of Review	240		240
Treasurer	9,048		9,048
Building and grounds	2,610		2,610
Cemetery	9,326		9,326
Unallocated	4,233		4,233
Public safety:			
Fire protection		34,500	34,500
Public works:			
Highways and streets		115,961	115,961
Total expenditures	<u>64,069</u>	<u>150,461</u>	<u>214,530</u>
Excess of revenues over expenditures	65,387	16,687	82,074
Transfers to other funds	<u>(50,000)</u>		<u>(50,000)</u>
Excess of revenues & transfers over expenditures	15,387	16,687	32,074
Fund balances, April 1, 2003	<u>201,027</u>	<u>117,553</u>	<u>318,580</u>
Fund balances, March 31, 2004	\$ <u>216,414</u>	\$ <u>134,240</u>	\$ <u>350,654</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF OGDEN
Lenawee County, Michigan

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
GENERAL AND SPECIAL REVENUE FUNDS

Year Ended March 31, 2004

	General Fund		(Over)
	Budget	Actual	Under Budget
Revenues:			
Property taxes	\$ 36,700	\$ 37,682	\$ (982)
State revenue sharing	83,000	78,318	4,682
Charges for services:			
Property tax administration	10,500	8,872	1,628
Cemetery	2,950	1,900	1,050
Interest	3,000	2,395	605
Miscellaneous	500	289	211
Total revenues	\$ 136,650	\$ 129,456	\$ 7,194
Expenditures:			
Legislative:			
Township Board	\$ 28,920	\$ 16,309	\$ 12,611
General government:			
Supervisor	7,950	7,559	391
Assessor	6,400	6,143	257
Clerk	9,100	8,601	499
Board of Review	1,080	240	840
Treasurer	9,200	9,048	152
Building and grounds	4,050	2,610	1,440
Cemetery	10,500	9,326	1,174
Unallocated	4,150	4,233	(83)
Public safety:			
Fire protection			
Public works:			
Highways and streets			
Total expenditures	\$ 81,350	\$ 64,069	\$ 17,281

The accompanying notes are an integral part of these financial statements.

Special Revenue Funds

<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
\$ 111,200	\$ 115,792	\$ (4,592)

550	308	242
<u> </u>	<u>1,048</u>	<u>(1,048)</u>
\$ 111,750	\$ 117,148	\$ (5,398)

34,500	34,500	0
<u>120,800</u>	<u>115,961</u>	<u>4,839</u>
\$ <u>155,300</u>	\$ <u>150,461</u>	\$ <u>4,839</u>

TOWNSHIP OF OGDEN
Lenawee County, Michigan

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
GENERAL AND SPECIAL REVENUE FUNDS
Year Ended March 31, 2004

	General Fund		
	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Excess (deficiency) of revenues over expenditures	\$ <u>55,300</u>	\$ <u>65,387</u>	\$ <u>(10,087)</u>
Other financing sources (uses):			
Operating transfers in	<u>(50,000)</u>	<u>(50,000)</u>	<u>0</u>
Operating transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>0</u>
Total other financing sources (uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>0</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	5,300	15,387	(10,087)
Fund balances, April 1, 2003	<u>201,027</u>	<u>201,027</u>	<u>0</u>
Fund balances, March 31, 2004	\$ <u><u>206,327</u></u>	\$ <u><u>216,414</u></u>	\$ <u><u>(10,087)</u></u>

The accompanying notes are an integral part of these financial statements.

<u>Special Revenue Funds</u>		
<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
\$ <u>(43,550)</u>	\$ <u>(33,313)</u>	\$ <u>(10,237)</u>
50,000	50,000	0
<u>50,000</u>	<u>50,000</u>	<u>0</u>
6,450	16,687	(10,237)
<u>117,553</u>	<u>117,553</u>	<u>0</u>
\$ <u><u>124,003</u></u>	\$ <u><u>134,240</u></u>	\$ <u><u>(10,237)</u></u>

TOWNSHIP OF OGDEN
Lenawee County, Michigan

NOTES TO FINANCIAL STATEMENTS

March 31, 2004

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the Township of Ogden, Lenawee County, Michigan, conform to generally accepted accounting principles as applicable to governmental units.

Reporting Entity

In accordance with the provisions of the Governmental Accounting Standards Board's Statement No. 14 "The Financial Reporting Entity," the general purpose financial statements of the Township contain all the Township funds and account groups that are controlled by or dependent on the Township's executive or legislative branches.

The reporting entity is the Township of Ogden. The Township is governed by an elected Township Board. As required by generally accepted accounting principles, these financial statements present the Township as the primary government.

Basis of Presentation

The financial activities of the local unit are recorded in separate funds and account groups, categorized and described as follows:

General Fund

This fund is used to account for all financial transactions except those required to be accounted for in another fund. The fund includes the general operating expenditures of the local unit. Revenues are derived primarily from property taxes, state and federal distributions, grants, and other intergovernmental revenues.

Special Revenue Funds

These funds are used to account for specific governmental revenues requiring separate accounting because of legal or regulatory provisions or administrative action.

Fiduciary Fund

The Current Tax Collection Fund is used to account for assets held as an agent for others.

TOWNSHIP OF OGDEN
Lenawee County, Michigan

NOTES TO FINANCIAL STATEMENTS

March 31, 2004

Note 1 - Summary of Significant Accounting Policies (continued)

General Fixed Assets Account Group

This account group presents the fixed assets of the local unit utilized in its general operations.

Measurement Focus/Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present revenues and other financing sources and, expenditures and other financial uses in net current assets.

The modified accrual basis of accounting is followed by the governmental fund types. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual which is both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than principal and interest on long-term debt, are recorded when the related fund liability is incurred, if measurable. Principal and interest on general long-term debt is recognized when due.

Revenues from local sources consist primarily of property taxes. Property taxes and revenues received from the State are recognized when susceptible to accrual. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

Property Taxes

Property taxes and other revenue that are both measurable and available for use to finance operations are recorded as revenue when earned.

Properties are assessed as of December 31 and the related property taxes become a lien on December 1 of the following year. These taxes are due on February 14, with the final collection date of February 28 before they are added to the county tax rolls. The 2003 Township tax roll millage rate was 3.9043 mills, and the taxable value was \$38,408,111.

TOWNSHIP OF OGDEN
Lenawee County, Michigan

NOTES TO FINANCIAL STATEMENTS
March 31, 2004

Note 1 - Summary of Significant Accounting Policies (continued)

Fixed Assets

Purchases of fixed assets for all funds are recorded as expenditures in their respective funds at the time of purchase. They are also recorded at cost in the General Fixed Assets Group of Accounts as required by generally accepted accounting principles.

Investments

Investments are stated at market.

Receivables

Receivables have been recognized for all significant amounts due to the Township. Allowances for uncollectible accounts have not been provided for in that collection is not considered doubtful and any uncollected amount would be immaterial.

Inventories

Inventories of supplies are considered to be immaterial and are not recorded.

Compensated Absences (Vacation and Sick Leave)

Township employees are not allowed to accumulate vacation and sick pay and therefore no accumulated amount is recorded in the financial statements.

Budgets and Budgetary Accounting

The following procedures are followed in establishing the budgetary data reflected in these general purpose financial statements:

1. Prior to the beginning of the fiscal year, the proposed budget for each budgetary fund is submitted to the Township Board for consideration.
2. The proposed budgets include expenditures as well as the methods of financing them.
3. Public hearings are held to obtain taxpayer comments.
4. The budgets are adopted at the activity level by a majority vote of the Township Board.
5. The budgets are adopted on the modified accrual basis of accounting.

TOWNSHIP OF OGDEN
Lenawee County, Michigan

NOTES TO FINANCIAL STATEMENTS

March 31, 2004

Note 1 - Summary of Significant Accounting Policies (continued)

Budgets and Budgetary Accounting (continued)

6. The originally adopted budgets can be amended during the year only by a majority vote of the Township Board.
7. The adopted budgets are used as a management control device during the year for all budgetary funds.
8. Budget appropriations lapse at the end of each fiscal year.
9. The budgeted amounts shown in these general purpose financial statements are the originally adopted budgets with all amendments that were approved by the Township Board during the fiscal year.

Encumbrances

Encumbrances involving the current recognition of purchase orders, contracts and other commitments for future expenditures are not recorded.

Postemployment Benefits

The Township provides no postemployment benefits to past employees.

Note 2 - Deposits and Investments

Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in the accounts of federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or federal agency obligation repurchase agreements; banker's acceptance of United States banks; commercial paper rated within the two highest classifications, which mature not more than 270 days after the date purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

The Township Board has designated two banks for the deposit of Township funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in all investments authorized by state law as listed above.

TOWNSHIP OF OGDEN
Lenawee County, Michigan

NOTES TO FINANCIAL STATEMENTS

March 31, 2004

Note 2 - Deposits and Investments (continued)

The Township's deposits and investments are in accordance with statutory authority.

The Governmental Accounting Standards Board Statement No. 3, risk disclosures for the cash deposits are as follows:

	Carrying Amounts
Total Deposits	\$ <u>346,056</u>

Amounts in the bank balances are without considering deposits in transit or uncleared checks.

	Bank Balances
Insured (FDIC)	<u>208,859</u>
Uninsured and Uncollateralized	<u>146,056</u>
Total Depsoits	\$ <u>354,915</u>

The Township of Ogden did not have any investments as of March 31, 2004.

Note 3 - Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	Balance 4/1/03	Additions	Deletions	Balance 3/31/04
Land	9,344			9,344
Buildings	79,302			79,302
Equipment	21,754			21,754
Totals	<u>\$110,400</u>	<u>0</u>	<u>0</u>	<u>\$110,400</u>

Note 4 - Deferred Compensation Plan

The Township does not have a deferred compensation plan.

TOWNSHIP OF OGDEN
Lenawee County, Michigan

NOTES TO FINANCIAL STATEMENTS

March 31, 2004

Note 5 - Pension Plan

The Township does not have a pension plan.

Note 6 - Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors, omissions, and employee injuries (worker's compensation). The Township has purchased commercial insurance for property loss, torts and worker's compensation claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Note 7 - Building Permits

The Township of Ogden does not issue building permits. Building permits are issued by the County of Lenawee.

Note 8 - Total Columns on Combined Statements - Overview

The total columns on the combined financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation, because interfund eliminations have not been made in the aggregation of this data.

TOWNSHIP OF OGDEN
Lenawee County, Michigan

GENERAL FUND EXPENDITURES BY DETAILED ACCOUNT
Year Ended March 31, 2004

Township Board:	
Salaries	\$ 2,070
Education	971
Insurance	7,838
Miscellaneous	5,430
	<u>16,309</u>
Supervisor:	
Salary	6,929
Miscellaneous	630
	<u>7,559</u>
Assessor:	
Wages	5,770
Office supplies	373
	<u>6,143</u>
Clerk:	
Salary	8,300
Office supplies	155
Miscellaneous	146
	<u>8,601</u>
Board of Review - per diem	<u>240</u>
Treasurer:	
Salary	8,300
Miscellaneous	748
	<u>9,048</u>
Building and grounds:	
Utilities	<u>2,610</u>
Cemetery:	
Contracted services	8,840
Repairs	71
Miscellaneous	415
	<u>9,326</u>
Unallocated:	
Dues	940
Printing and publishing	797
Social security	2,496
	<u>4,233</u>
Total Expenditures	\$ <u><u>64,069</u></u>

TOWNSHIP OF OGDEN
Lenawee County, Michigan

COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS
March 31, 2004

<u>Assets</u>	<u>Municipal Improvement</u>	<u>Road and Bridge</u>	<u>Fire</u>	<u>Total</u>
Cash in bank	\$	\$ 82,773	\$ 48,191	\$ 130,964
Taxes receivable		<u>2,184</u>	<u>1,092</u>	<u>3,276</u>
Total Assets	\$ <u>0</u>	\$ <u>84,957</u>	\$ <u>49,283</u>	\$ <u>134,240</u>
<u>Fund Balances</u>				
Fund balances:				
Unreserved:				
Undesignated	\$ <u>0</u>	\$ <u>84,957</u>	\$ <u>49,283</u>	\$ <u>134,240</u>
Total Fund Balances	\$ <u>0</u>	\$ <u>84,957</u>	\$ <u>49,283</u>	\$ <u>134,240</u>

TOWNSHIP OF OGDEN
Lenawee County, Michigan

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ALL SPECIAL REVENUE FUNDS

Year Ended March 31, 2004

	<u>Municipal Improvement</u>	<u>Road and Bridge</u>	<u>Fire</u>	<u>Total</u>
Revenues:				
Property taxes	\$	\$ 77,195	\$ 38,597	\$ 115,792
Interest	1	145	162	308
Miscellaneous		1,048		1,048
Total revenues	<u>1</u>	<u>78,388</u>	<u>38,759</u>	<u>117,148</u>
Transfers from other funds		50,000		50,000
Total revenues and transfers	\$ <u>1</u>	\$ <u>128,388</u>	\$ <u>38,759</u>	\$ <u>167,148</u>
Expenditures:				
Fire protection	\$	\$	\$ 34,500	\$ 34,500
Highways and streets	<u>137</u>	<u>115,824</u>		<u>115,961</u>
Total expenditures	\$ <u>137</u>	\$ <u>115,824</u>	\$ <u>34,500</u>	\$ <u>150,461</u>
Excess of revenues over expenditures	(136)	12,564	4,259	16,687
Fund balances, April 1, 2003	<u>136</u>	<u>72,393</u>	<u>45,024</u>	<u>117,553</u>
Fund balances, March 31, 2004	\$ <u><u>0</u></u>	\$ <u><u>84,957</u></u>	\$ <u><u>49,283</u></u>	\$ <u><u>134,240</u></u>

TOWNSHIP OF OGDEN
Lenawee County, Michigan

CURRENT TAX COLLECTION FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year Ended March 31, 2004

	Balance 4/01/03	Additions	Deductions	Balance 3/31/04
<u>Assets</u>				
Cash in Bank	\$ <u>60</u>	<u>805,998</u>	<u>806,058</u>	\$ <u>0</u>
<u>Liabilities</u>				
Due to other funds	\$ 60	\$ 154,872	\$ 154,932	\$ 0
Due to others	<u> </u>	<u>651,126</u>	<u>651,126</u>	<u>0</u>
Total Liabilities	\$ <u>60</u>	\$ <u>805,998</u>	\$ <u>806,058</u>	\$ <u>0</u>



Township Board
Township of Ogden
Lenawee County, Michigan

In planning and performing our audit of the general purpose financial statements of Ogden Township for the year ended March 31, 2004, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure. However, we noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the Township's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we note the following reportable condition that we believe to be material weaknesses:

There is an inherent lack of segregation of duties due to the size of the administrative staff.

Jeffrey A. Yeutter, C.P.A.

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In addition the following matters came to our attention which are not considered reportable conditions.

The Township has not compiled and maintained a detailed listing of fixed assets to support the General Fixed Assets Account Group included in the audited financial statements. This should be completed to the best of the Township's ability as soon as possible.

This report is intended solely for the information and use of the Ogden Township Board, management and others within the administration. If any questions arise concerning our recommendations or the implementation thereof, we would be pleased to assist in whatever capacity you may require.

We would like to take this opportunity to thank your staff for their excellent cooperation during our engagement. Thank you for the opportunity to provide these services to Ogden Township.

Yeutter & Associates, P.C.

Yeutter & Associates, P.C.

August 26, 2004